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PRICE CONTROL AND INFLATION THE *AGRICULTURAL* • *SITUATION* •

MARCH 1942

A Brief Summary of Economic Conditions

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FARM PRODUCTION GOALS, the food supply, the prices of farm products, the tight situation as to farm labor and the equipment needed for 1942 production—all these have held the center of agricultural interest this winter. Now the work of preparing the land and of planting the new crops is well under way, spreading rapidly over a widening area South to North across the breadth of America. Early truck crops already are flowing to market the country over, and increasing in seasonal volume. Land once planted to cotton in the South is going into peanuts and soybeans for the increased production of vegetable oils . . . the South hopes to produce this year more food and feed crops and livestock products than ever before. Meanwhile, a new winter wheat crop is well along, promising good yields to add to an already abundant supply of wheat in store. The range country is a picture of unusually large numbers of cattle and sheep in good condition, and the Corn Belt of high record numbers of sows to farrow this spring. Cross country and into the North are the great commercial poultry and dairy regions endeavoring to produce the increased quantities of eggs and milk so needed this year. Everywhere the early season is one of high promise, but to reach the production goals for 1942 hard work lies ahead.

On Price Control and Inflation

(Excerpts from Statement by the President of the United States on signing the Emergency Price Control Act of 1942)

The farm program which has been developed since 1933 has set parity prices and income as a goal. There is nothing in this act (Emergency Price Control Act of 1942) to prevent farmers receiving parity or a fair return. But I feel that most farmers realize that when farm prices go much above parity, danger is ahead. One of the best ways of avoiding excessive price rises, of course, is abundant production. And I hope agricultural prices can be maintained at such level as to give farmers a fair return for increasing production.

In giving my approval to this legislation, I am acting with the understanding, confirmed by congressional leaders, that there is nothing contained therein which can be construed as a limitation upon the existing powers of governmental agencies, such as the Commodity Credit Corporation, to make sales of agricultural commodities in the normal conduct of their operations. In my message to the Congress on August 25, 1941, disapproving the bill H. R. 5300, I pointed out the extreme disadvantages of any action designed to peg prices through the arbitrary withholding of Government-owned stocks from the normal channels of trade and commerce.

I further pointed out that the Commodity Credit Corporation should be free to dispose of commodities acquired under its program in an orderly manner, for otherwise it will be impossible to maintain an ever-normal granary, to protect farmers against surpluses and consumers against scarcity; and that to restrict the authority of this corporation would greatly increase its losses, nullify the effectiveness of existing

programs, and by breaking faith with consumers be inconsistent with our present price control efforts.

I also should like to call attention to the fact that I am requesting the departments of the Government possessing commodities to make such commodities available to other departments in order to aid our war effort. This request, primarily, will affect the cotton stocks of the Commodity Credit Corporation and will permit such stocks to be utilized, directly or by exchange, in the production of war goods. Such transfers will be in addition to the quantities which are now available for sale. The request will also include grain and other commodities which may be needed by the departments concerned.

The enactment of price control legislation does not mean that the battle against inflation has been won. I have doubts as to the wisdom and adequacy of certain sections of the act, and amendments to it may become necessary as we move ahead. Moreover, price control legislation alone cannot successfully combat inflation. To do that, an adequate tax and fiscal program, a broad savings program, a sound production program, and an effective priorities and rationing program, are all needed.

Finally, all bulwarks against inflation must fail, unless all of us—the businessman, the worker, the farmer, and the consumer—are determined to make those bulwarks hold fast. In the last analysis, as Woodrow Wilson said:

"The best form of efficiency is the spontaneous cooperation of a free people."

Statement of Policy

WITH the passage of the Price Control Act, the Office of Price Administration and the Department of Agriculture intend to spare no effort to prevent inflation. These two agencies share this important responsibility and are in complete agreement as to objectives to be achieved. Successful prosecution of the war by ourselves and our allies requires that the disorganizing influences of inflationary price movements be eliminated. Preventing wartime inflation will minimize the danger of another post-war deflation, and so contribute to winning the peace. If inflation is to be controlled, it is now especially important that effective, positive steps be taken to stabilize the cost of living. The Department of Agriculture and the Office of Price Administration intend to pool resources to do all they can to accomplish this end.

FIRST of all we must have abundant production and the Department of Agriculture intends to see that every possible step is taken to assure abundant supplies for all. This has been and will remain the consumer's best assurance of fair prices. Government-owned stocks of grains and cotton will continue to be used to supplement private stocks. Farm legislation and the farm production goals for 1942 have now placed floors under the farm prices of all major products at levels sufficient to protect farmers in carrying out a great increase in production. Steps will be taken to keep feedstuffs at reasonable levels in order that increased production of meats and livestock products will not be hampered by high feed costs. The Office of Price Administration will use its powers to see that prices of the things that farmers buy are held down, so that farm production will not be restricted by unnecessarily high production costs.

A high level of production will not in all cases be sufficient. Where prices get out of line the Office of Price Administration with the advice and as-

sistance of the Department will establish maximum prices. In such cases it will see that this protection is afforded all the way through the channels of distribution to the ultimate consumers. In those cases where there is not enough to go around, steps will also be taken to assure that there is fair distribution to all.

THE American people should realize that it will be the objective of their government to stabilize the cost of living. They, too, can do their part. There is no occasion for hoarding of food. Total supplies of most staple foods are at record or near-record levels. Families who hoarded in the past were simply misguided. Now they are both misguided and unpatriotic, for such buying upsets markets and encourages inflationary price advances.

It should be a point of pride with every good American not to hoard or to waste food. Consumers should buy more of commodities which are plentiful in supply. Thus, they can assist farmers and stimulate the output of larger supplies by directing their purchases to commodities that are relatively abundant. From time to time the Department of Agriculture and the Office of Price Administration will draw the attention of consumers to commodities which are in relative abundance, and to desirable shifts in food habits.

We should like to repeat that the government intends to mobilize its full resources for all-out agricultural production at prices fair to farmers and consumers. Our aim is to stabilize living costs and prevent war-time inflation or post-war deflation. We invite the assistance of farmers and consumers in seeing that the job is done

CLAUDE R. WICKARD,
Secretary of Agriculture.

LEON HENDERSON, *Administrator,*
Office of Price Administration.

Commodity Reviews

PRODUCTION: Abundance

The number 1 job of farmers is to produce the biggest possible quantities of food this year. Goals have been set up as production guides, with emphasis upon the protective foods needed in greatest abundance by our armed forces on many fronts, our civilian forces on the home front, and for export to our Allies. While factories work night and day turning out munitions of war, farmers will be working night and day this spring readying the land for the biggest production of food in our Nation's history.

The food production job in World War I was simple by comparison with present needs. Then we had a population of 100 million, and the principal commodity for overseas shipment was wheat. Now we have a population of 132 million, and the principal commodities for overseas shipment are cheese, evaporated milk, eggs, meats, and lard. Then we had little difficulty in importing fats, oils, and sugar. Now large quantities of these imports have been cut off.

The job of producing food is vastly greater now than in World War I. And there are fewer people to do it. Whereas the farm population during World War I was more than 32 million, it is now less than 30 million. It is true that production techniques have been greatly improved during the last quarter century, and that production per farmer has been increased; but the increases sought this year in food production are greater than these.

Food production goals call for an over-all increase of about 5 percent this year over last; but in individual commodities the goals call for increases as high as 155 percent over 1941—as in peanuts. Besides the production of peanuts for oil, the goals call for an increase of 54 percent in acreage of soybeans, and an increase of 34 percent in the acreage of flaxseed.

Goals call for a total increase of 8

percent in the production of milk this year, 13 percent in the output of eggs, 14 percent in hog slaughter, 8 percent in slaughter of beef cattle and calves, 1 percent in sheep and lambs. The goals call for an increase of 32 percent in the production of canning peas, and of 27 percent in canning tomatoes. Increases of 13 percent in acreage of dry beans and of 73 percent in dry field peas are sought.

A 10-percent increase in total acreage of potatoes is suggested for 1942, and an increase of 22 percent in the production of dried fruits. Goals call for an increase of 10 percent in acreage of commercial truck crops, and an increase of 20 percent in the number of farm gardens—practically a “garden on every farm”—nearly 6 million farm gardens the country over.

PRODUCTION: For War

The Department of Commerce estimates that production for military purposes will constitute approximately 53 percent of the aggregate United States industrial output in 1942, compared with 21 percent last year. In durable goods about 80 percent of the total output will go for war purposes, compared with 35 percent last year. Nearly one-third of the rise in industrial output will occur in the aircraft industry where production will be increased by 300 percent. The machinery industry—which includes most ordnance as well as many aircraft engines—will contribute another third of the gain, and shipbuilding, a sixth.

PRICES: Parity

Farmers have been getting slightly lower prices for commodities than at the beginning of this year, but the National average of prices of farm products continues practically at parity, livestock commodities in general selling above parity, and the crops

selling below parity. A continued high level of consumer demand for farm products and a rising trend throughout 1942 have been forecast by BAE.

National averages of prices received by farmers as a percentage of parity as of February 15 were: Cotton, 98 percent; corn, 81; wheat, 81; hay, 62; potatoes, 100; oats, 89; rice, 135; peanuts, 77; apples, 85; beef cattle, 130; hogs, 110; chickens, 104; eggs, 99; butterfat, 92; wool, 138; veal calves, 121; lambs, 121.

Enactment of the Emergency Price Control Act of 1942 and the announcement of price support levels by the Secretary of Agriculture have helped to clear the way for farmers in reaching this year's farm-production goals. Now they have practical assurance of the prices they will receive for this year's crop and livestock products.

Besides a growing domestic civilian demand for farm products, the Federal Government is committed to purchases of increasingly large quantities of foods for our armed forces and for export to

our Allies. There is need also for the building of large reserves against future contingencies.

Index Numbers of Prices Received and Paid by Farmers

1910-14 = 100

Year and month	Prices received	Prices paid	Buying power of farm products ¹
1940			
November-----	99	122	81
December-----	101	123	82
1941			
January-----	104	123	85
February-----	103	123	84
March-----	103	124	83
April-----	110	124	89
May-----	112	125	90
June-----	118	128	92
July-----	125	130	96
August-----	131	133	98
September-----	139	136	102
October-----	139	139	100
November-----	135	141	96
December-----	143	142	101
1942			
January-----	149	146	102
February-----	145	147	99

¹ Ratio of prices received to prices paid.

² Revised.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and States.]

Product	5-year average August 1909-July 1914	February average, 1910-14	February 1941	January 1942	February 1942	Parity price, February 1942
Cotton, lb. cents	12.4	12.3	9.44	16.93	17.80	18.23
Corn, bu. do	64.2	60.1	56.0	72.7	76.6	94.4
Wheat, bu. do	88.4	89.2	67.8	106.1	104.9	129.9
Hay, ton. dollars	11.87	12.02	7.88	10.15	10.76	17.45
Potatoes, bu. cents	69.7	66.3	154.7	97.6	104.5	104.7
Oats, bu. do	39.9	39.8	32.9	50.2	52.0	58.7
Rice, bu. do	81.3	81.3	197.9	157.6	161.8	119.5
Peanuts, lb. do	4.8	4.9	3.39	5.11	5.44	7.06
Tobacco:						
Fire-cured types, 21-24 lb. do	3 13.6	-----	9.1	13.7	13.3	12.5
Burley types, 31 lb. do	4 22.2	11.8	29.3	24.0	24.4	26.2
Maryland types, 32 lb. do	3 22.9	-----	-----	24.0	30.0	21.1
Air-cured, dark types, 35-37 lb. do	3 11.2	-----	6.9	12.9	11.1	10.3
Cigar leaf types, 41-45 lb. do	3 14.1	-----	9.0	11.4	10.2	13.0
Cigar binder types, 51-55 lb. do	3 19.9	-----	14.2	14.5	14.8	18.3
Apples, bu. dollars	.96	1.06	.93	1.16	1.20	1.41
Beef cattle, cwt. do	5.21	5.11	8.34	9.77	9.93	7.66
Hogs, cwt. do	7.22	7.12	7.19	10.55	11.64	10.61
Chickens, lb. cents	11.4	11.1	14.0	17.0	17.4	16.8
Eggs, doz. do	21.5	23.7	16.8	31.3	27.5	27.8
Butterfat, lb. do	26.3	27.4	30.5	36.3	36.2	39.5
Wool, lb. do	18.3	18.5	32.1	37.2	37.1	26.9
Veal calves, cwt. dollars	6.75	6.77	10.11	12.14	12.05	9.92
Lambs, cwt. do	5.87	5.95	8.60	10.30	10.48	8.63

¹ Revised. ² Post-war base.

³ Base price crop years 1919-29.

⁴ Base price crop years 1934-38.

⁵ Adjusted for seasonality.

FARM LABOR: Supply

Farm work is mounting rapidly as farmers go into a new production season. Early season work had a good start, and the number of hired workers on farms was a little larger this February 1 than last. AMS commented: "All in all, absence of the usual surplus of farm labor has not hampered the attainment of current production goals in the Food-for-Victory program so far in 1942," but added that "the 1942 crop work season had not commenced, except in the extreme southern portions of the United States."

Considerable activity by Federal and State agencies deals with the farm-labor situation in efforts to prevent shortages which would jeopardize the attainment of a high record volume of farm production this year. Proposals include a better geographic distribution of the reduced farm labor supply, more effective use of persons normally employed in agriculture, the bringing into the farm labor forces of persons not normally employed, and improvements in housing, working, and health conditions for workers.

(The Department of Agriculture, broadening its information on the farm-labor situation, hopes to make available this spring current estimates of farm employment, by States.)

INCOME: Increase

Figures to be released next month will probably show the best first quarter farm income in many years. Prices of farm products averaged more than a third higher than during the first quarter of 1941, and the volume of marketings of a number of livestock products was larger. Income from marketings and Government payments may total nearly 3 billion dollars, as compared with less than 2.2 billions during the first quarter of 1941. Much of the increase was from dairy products, poultry products, and meat animals. Government payments were

larger, since payments on the 1941 program have been later than on the 1940 program.

Latest estimate of 1941 cash farm income is 11.8 billion dollars, compared with 9.1 billion in 1940. Most farmers shared in the increase, but some more than others, as indicated by the accompanying table of income by principal groups of commodities. Current and prospective economic conditions suggest that 1942 income will be close to 14 billions. Largest on record was 14.6 billions in 1919. There are fewer farms and fewer farmers now than in 1919; income per farm and per capita of the farm population will probably set a new high record this year.

Cash Farm Income 1940 and 1941

Source of income	Jan.-	Jan.-
	Dec. 1940	Dec. 1941
Income from farm marketings	Million dollars	Million dollars
All crops	8,331	11,185
Grains	3,509	4,794
Cotton and cottonseed	1,007	1,334
Fruits and tree nuts	646	1,107
Vegetables	445	607
Tobacco	630	752
All livestock	241	325
Meat animals	4,822	6,391
Dairy products	2,390	3,335
Poultry and eggs	1,527	1,860
Government payments	754	1,012
Total income including Govern- ment payments	766	586
	9,097	11,771

MILK PRODUCTION: Goal

Milk production is running below the 8-percent increase which is sought in the 1942 production goals. Production per cow has been slightly heavier this winter than last, and there are about 3 percent more cows on farms. Total output of milk as of February 1 was about 4 percent heavier than on that date last year. A considerable stepping up of production will be required if the production goal of 125 billion pounds in 1942 is to be reached. Production in 1941 totaled 115.8 billion pounds.

The following table shows the 1941 production and the 1942 goals for the principal dairy producing States:

State	1941 production	1942 goal	1942 over 1941
	Million pounds	Million pounds	Percent
Wisconsin.....	13,625	15,400	13
Minnesota.....	8,824	9,590	9
New York.....	7,990	8,390	5
Iowa.....	6,920	7,280	5
Illinois.....	5,509	5,800	5
Michigan.....	5,124	5,540	8
California.....	5,091	5,650	11
Pennsylvania.....	4,918	5,140	5
Ohio.....	4,838	5,270	9
Texas.....	4,495	4,760	6

Suggested increases in other States range from 3 percent in Massachusetts, Delaware, and Rhode Island to 15 percent in Mississippi and Tennessee. Largest percentage increases are in Wisconsin, the far West, and the South. Manufacturing plants for the dairy products most needed in 1942 are highly concentrated in Wisconsin and the far West. In addition, defense industries on the West coast call for additional fluid milk.

The large percentage increases suggested in the South are in line with the desirable long-term changes needed both from the farm management and nutritional points of view, and are immediately needed in areas where the concentration of military camps has greatly increased the demand for fluid milk. Production per cow could be increased rather easily in parts of the South provided sufficient feed is available.

EGGS: Increase

Poultrymen have made a good start toward reaching the 1942 egg-production goal, turning out in January about 17 percent more eggs than in the same month last year. But there is a long way still to go, and a large increase must be maintained during the remainder of the year in order to turn out a total farm production of 3.8 billion dozen eggs for all of 1942. Production in 1941 totaled 3.4 billion dozen eggs. (Besides farm production there is non-farm production equivalent to about

10 percent of the farm output.)

The suggested increase of more than 400 million dozen in farm production of eggs this year is larger than any on record, but it is within the range of probable output. There were about 12 percent more layers on farms this January 1 than last, and the margin over a year earlier may increase further this spring. The relatively large proportion of pullets in laying flocks this year also should help to maintain a continued high rate of lay per bird.

The following table shows the 1941 production and the 1942 goals for the principal egg-producing States:

State	1941 production	1942 goal	1942 over 1941
	1,000 dozen	1,000 dozen	Percent
Iowa.....	230,750	255,167	11
Ohio.....	199,833	218,417	9
Texas.....	184,833	226,333	22
Pennsylvania.....	178,417	194,333	9
Illinois.....	169,250	186,917	10
Minnesota.....	168,250	196,000	16
Missouri.....	167,917	191,333	14
Wisconsin.....	161,833	179,583	11
New York.....	158,677	173,583	9
California.....	141,917	155,417	10
Kansas.....	133,250	154,583	16
Indiana.....	131,583	147,667	12
Michigan.....	112,667	121,167	8
Nebraska.....	104,417	120,083	15

SOYBEANS: Increase

An increase of 54 percent in the acreage of soybeans for beans is sought this year in order to reach a total goal of 9 million planted acres. Soybeans are produced in 29 States, but the bulk of the output is in the North Central States—principally in Illinois, Iowa, Indiana, and Ohio. The total goal of 6.8 million acres for these 4 States compares with 4.8 million acres harvested in 1941.

These States are accustomed to harvesting large acreages of soybeans for beans, and are fairly well equipped with the power and the machinery needed in growing and harvesting an expanded acreage. Other States where large increases are sought this year include Missouri, North Carolina, Arkansas, Louisiana, and Mississippi.

The following table shows the 1941 acreage and the 1942 goals for the principal producing States:

State	1941 acreage	1942 goal	1942 over 1941
	Million acres	Million acres	Percent
Illinois.....	2,285	2,900	27
Iowa.....	949	1,750	84
Indiana.....	856	1,200	40
Ohio.....	674	900	34

PEANUTS: Increase

Unprecedented increases in production of peanuts are sought this year to help make possible adequate supplies of vegetable oils. The bulk of the increase is suggested in the old peanut-growing States—Georgia, Texas, Alabama, North Carolina, and Virginia. Large production goals have been set up also in Arkansas, Oklahoma, Mississippi, and Florida. Less than 2 million acres were harvested for nuts and oil in 14 Southern States last year; this year the production goals call for 5 million acres. Of the total, nearly 3.4 million acres are intended for the production of peanuts for oil. Nearly half the total acreage will be planted in Georgia and Virginia.

WOOL: Increase

A new domestic wool marketing season is about to open, with prices the highest in 14 years. The clip may be a little larger than 1941, but even so, the production of new wool may be less than half our prospective consumption this year.

Because of the large military requirements for wool, mill consumption in 1942 will again be large. In 1941 it totaled 977 million pounds (greasy shorn and pulled basis), compared with 641 million in 1940, and with 575 million average during the 5 years 1935-39. Consumption in 1941 was the largest in 24 years of record.

Stocks of apparel wool held by dealers and manufacturers, including wool afloat, totaled 356 million pounds on

December 31; in addition, there were about 21 million pounds of domestic wool of the 1941 clip still on farms and ranches and in local warehouses in Western Sheep States. The December stocks were 114 million pounds larger than a year earlier.

At current prices, the 1942 domestic clip probably will yield producers more than 150 million dollars. This compares with 143 million in 1941, and with 110 million dollars in 1940. Prices to farmers in February averaged 38 percent above parity. Little further advance from present levels is in prospect under the maximum prices now in effect.

FLAXSEED: Increase

Farmers in 14 States are being asked to increase the acreage of flaxseed this year to provide needed supplies of industrial oils. Largest increases are sought in North Dakota, Minnesota, South Dakota, and Montana. Farmers in these States planted 2.6 million acres to flaxseed last year; this year they are being asked to put in nearly 3.7 million acres, of which 2.9 million acres will be in Minnesota and North Dakota. Practically no increase is expected in the Corn Belt, because of the need for land in other uses.

Land is available for the desired increases in Minnesota, the Dakotas, and Montana; the main difficulty will be in getting seed. About 750 thousand bushels more seed will be required in these States than was planted last year; handlers are being urged to take steps immediately to get the seed cleaned and made available to farmers for planting.

TOBACCO: Good Season

Tobacco growers have had the best season in years. The crop was the smallest since 1936, but prices for some classes were about double the 1940 average. Calendar year cash income from marketings is estimated at 325 million dollars.

This is the largest total since 1919, when income was 500 million dollars. Smallest in the last 10 years was 115 million dollars in 1932. Consumer expenditures for tobacco were probably around 2 billion dollars in 1941.

Estimated consumption of tobacco in 1941 was in boxcar numbers: 206 billion cigarettes—a new high record; 6 billion cigars—largest total since 1930; and bigger quantities of chewing tobacco and snuff than in 1940. Only the consumption of smoking or "pipe" tobacco decreased. The increased consumption of tobacco was attributed to increased consumer income. Manufacturers tried in midwinter to raise the price of cigarettes, but the Government Office of Price Administration would not permit an advance at that time.

The total domestic supply of tobacco for the 1942-43 season may be slightly larger than it was a year earlier, and considerably above the average for other recent years. Government acreage allotments and goals on flue-cured and Maryland tobacco have been increased 10 percent above the 1941 acreage, but on other tobaccos unchanged. Domestic demand for tobacco is expected to continue high during 1942. Exports will depend largely on available shipping space.

COTTON: Record

Cotton stocks decline as mill consumption mounts to new high levels, and the carry-over next August 1 may be less than 10 million bales. This compares with 12 million bales on the same date last year. Possibility is that stocks will be reduced further next year, unless the 1942 drop should exceed 12 million bales. Especially needed in 1942 production is an increased output of long staple cotton to satisfy the heavy demand for particular qualities in the manufacture of military goods. It is expected that at least 25 million acres will be planted to cotton of all kinds this year, as compared with 23.3 million acres in 1941.

FEED GRAINS: Ratios

Objective of the Department of Agriculture is to maintain price ratios between feed and livestock products on a basis that will make possible the increased production of meats, milk, and eggs which is sought in the production goals for 1942. And to make increased supplies of feed available for poultry producers and dairymen in the Pacific Northwest and in the North Atlantic States, the Commodity Credit Corporation is offering wheat for feed at prices comparable to feed-grain prices.

The national corn acreage goal of 92.5 to 95 million acres compares with 87 million acres planted in 1941. The acreage allotment for the commercial corn area is 10 percent higher than in 1941. The acreage goals for Ohio, Indiana, and Illinois are only moderately above the acreage planted in 1941, but in important wheat States such as Kansas and Nebraska, the 1942 goals of noncommercial corn acreage are suggested at levels considerably above the 1941 planted acreage.

Slight increases are suggested in noncommercial areas of Michigan, Minnesota, and Wisconsin because of the need for feed in increased livestock and dairy production. For most States outside the North Central group the 1942 suggested corn acreage is about the same as in 1941 except that in the Far Western States an increase of about 14 percent above the 1941 acreage is suggested—principally in Colorado.

The suggested acreage for the non-commercial area of all Northeastern States is about 8 percent above the 1941 acreage, but in the South Atlantic and South Central States only small increases are suggested because of the big increases being sought in the acreages of other crops.

It is expected that the acreage goals for corn and soybeans and the probable acreage of other crops in the Corn Belt will result in fuller utilization of land resources than has been necessary in recent years. Some cropland may

have to be drawn from former idle and fallow land and from poorer stands of rotation pasture. The materially reduced seeding of winter wheat in this region in the fall of 1941 has released some cropland for other uses.

HOGS: Outlook

BAE says that the 1942 outlook for hogs has not changed greatly during recent weeks. Inspected hog slaughter in the first 3 months (October-December) of the 1941-42 marketing year totaled about 10 percent less than a year earlier. The winter peak in marketings was not reached until January this year, however, and slaughter in the 4 months, October-January, was little different from that of a year earlier. Slaughter supplies in March were expected to be only a little larger than at the same time last year.

The 1941 fall pig crop of 35.6 million head was the largest on record, and this means materially larger supplies of hogs during late spring and summer. The 1942 spring crop also will be a high record if it totals the 62 million head indicated by preliminary reports. This would mean exceptionally large slaughter supplies of hogs next fall and winter. Ordinarily so large an increase in production would result in lower prices, but not so this year.

Consumer buying power continues to increase, and the demand for hog products will be unusually strong in 1942-43. Moreover, large quantities of pork and lard are required for export to our allies. It is expected that these two factors will more than offset the effects of the increase in marketings upon hog prices. Cash farm income from hogs in 1942 will probably be the largest in more than 20 years.

CATTLE: Slaughter Up

Government livestock specialists look for a material increase in cattle marketings for slaughter in 1942.

Cattle numbers are still considerably below the pre-drought level in most of the Great Plains area, but the number of cattle in many States east of the Missouri River is the largest on record. Total for the entire country is slightly above the previous peak reached in 1934. Even though the number of cattle on farms and ranches should increase further this year, total marketings for slaughter could be substantially larger than in 1941.

Consumers have more money to spend for food than in many years past. This will be a strong price-supporting factor, and cattle prices may advance somewhat despite a large increase in marketings. The best advance will probably be on the upper grades of slaughter cattle, since the supply of such cattle will be smaller this year than last. But the medium and lower grades, besides being in good general demand, will receive considerable support in the heavy buying of beef for the Army.

LAMBS: Increase

Marketings of fed lambs are declining seasonally, but the volume is about 5 percent larger than at this time last year. Offset, marketwise, is the unprecedented high level of consumer demand for meats of all kind. Early lambing had been completed in Arizona and California by mid-February, and the new crop lambs were reported as developing well. Early lambing was well under way in Oregon, Washington, and Idaho.

Sheep wintered well in the Western States, and it is expected that the 1942 lamb crop will be at least as large as the 1941 crop. Much, of course, depends on the weather. Last year the number of lambs saved per 100 ewes was unusually large. Some talk has been going the rounds that lambs may be withheld from market in order to increase the production of wool, but no official information as to this was available at press time.

WHEAT: Big Supply

The supply of wheat totaled about 988 million bushels on January 1. This was 269 million bushels more than on that date last year, and 381 million more than at the beginning of 1940. It is estimated that the carry-over on July 1 next will be about 630 million bushels, as compared with 385 million on July 1 last. In all likelihood the United States will continue to have a 2 years' supply of wheat during 1942-43. The 1942 winter wheat crop was in promising condition in mid-February. A referendum on wheat marketing quotas in 1942 will be held on May 2. Offers by the Commodity Credit Corporation to sell wheat to feeders are intended both to increase the output of livestock products and to make way in storage space for the 1942 crop.

RICE: Increase

The United States needs more rice, and has asked producers in Arkansas, Louisiana, Texas, California, and Missouri to plant at least 1.3 million acres this year. This would be a 10-percent increase over 1941. The Federal Government will make no deductions in conservation payments for exceeding rice acreage allotments; instead, full payments will be conditioned upon the planting of a full allotment, in order to encourage increased production.

The domestic supply of rice for the 1941-42 marketing year has been estimated at 16.7 million barrels. This compares with 17.7 million in 1940-41. By reason of increased domestic disappearance and exports, the carry-over at the beginning of the 1942 marketing year may be considerably smaller than the 1.6 million barrels carry-over in 1941.

DRY BEANS: Increase

Production goals call for large increases in acreages of pink and pinto beans this year, but little change in other varieties. Biggest increases are suggested in Colorado, California, and

Idaho, where land suitable for bean production is available. The increase probably will be made primarily in the dry-land areas because of the competition of sugar beets for irrigated land. Large increases in acreage and production of dry-field peas also are in prospect this year. Prices of dry edible beans are at a high level, even though production in 1941 was the largest on record. An unusually good consumer demand for both beans and peas is being supplemented by heavy Government purchases.

TRUCK CROPS: Acreage

The situation as to winter truck crops has been featured by marked increases in acreages of cabbage and tomatoes, and decreases in snap beans and green peppers. Total for all crops is about the same as in 1941. For all of 1942 an estimated total of nearly 2.9 million acres of commercial truck crops for fresh consumption is expected, or about 6 percent more than in 1941. In addition, the acreage of vegetables for canning (11 crops) is expected to total 2.1 million compared with 1.7 million in 1941. With average yields the canning pack may total 156.8 million cases, compared with 142.1 million cases last year. Big increases are sought in the 1942 pack of canned peas and canned tomatoes.

FRUITS: Little Change

The total bearing acreage of fruits in 1942 will be about the same as in 1941. A slightly larger output of citrus fruits will tend to offset a smaller supply of deciduous fruits, the latter because 1942 is an "off year" for apples and peaches. It is possible, however, that large quantities of fruits will be diverted from the fresh market to canned and dried packs. This applies to citrus fruits, apples, apricots, peaches, pears, and cherries. The production of raisins in California may be increased materially over that in 1941 through diversion of additional quantities of grapes. Producers, pro-

cessors, and distributors are being urged to reduce the waste in marketing,

processing, and handling to a minimum this year.—FRANK GEORGE.

Emergency Price Control Act of 1942

THE Emergency Price Control Act of 1942 was signed by the President on January 30. It provides in subsection (a) of section 3 that "no maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture:

(1) 110 per centum of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or in case a comparable price has been determined for such commodity under subsection (b), 110 per centum of such comparable price, adjusted in the same manner, in lieu of 110 per centum of the parity price so adjusted;

(2) the market price prevailing for such commodity on October 1, 1941;

(3) the market price prevailing for such commodity on December 15, 1941; or

(4) the average price for such commodity during the period July 1, 1919 to June 30, 1929."

Subsection (b) provides that "for the purposes of this act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops corn, wheat, cotton, rice, tobacco, and peanuts, the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base

period as to result in a price out of line with parity prices for basic commodities."

Subsection (c) provides that "on maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a)."

Subsection (d) provides that "nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act."

Subsection (e) provides that "notwithstanding any other provision of this or any other law, no action shall be taken under this act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 (a) and (b) to enforce compliance with any regulation, order, price schedule, or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture."

Subsection (f) provides that "no provision of this act or of any existing law shall be construed to authorize any action contrary to the provisions and purposes of this section."

The Wealth of British Malaya

WITH the fall of Singapore, the keystone of the defense structure of the United Nations in the Southwestern Pacific has been engulfed in the tide of Japanese conquest. It means that, for the time being, all of British Malaya has fallen into Japanese hands. What is it, then, that the Japanese gained when the British were forced to abandon Malaya? The answer lies in the country's geographical position and in the fact that Malaya is the world's most important source of rubber and tin.

The Malaya Peninsula, a narrow tongue of land occupying the extreme southeastern corner of Asia, lies midway between India and China. On the north, it borders on Burma and Siam, and on the northwest on the Bay of Bengal, across which is India. The west coast of Malaya is washed by the Straits of Malacca, beyond which lies northern Sumatra, and the east coast by the South China Sea, which is part of the Pacific Ocean. On the extreme south is the island of Singapore, separated from the Peninsula by a strait about one mile wide. To the south and east of Singapore are numerous islands of the Netherlands Indies.

The geographic position of Singapore was the compelling factor in turning it into a great fortress. Standing between Japan, China, and the Malay Archipelago on the one hand, and India and Europe on the other, Singapore as a part of British Malaya constituted one of the most important lines in the chain of British naval strongholds. Geography has made Singapore equally important commercially, for it was not only a great distributing and transshipment center for the traffic of the Netherlands Indies and British Malaya, but also the business and shipping center for much of the trade between Southeastern Asia and the rest of the world.

THE area of British Malaya, amounting to 51,000 square miles, is about that of peninsular Florida. It is a mountainous country and more than two-thirds of it is covered with forests or mangroves that fringe considerable stretches of the coastline. Yet it is not the forests, but the available coastal plains, chiefly west of the mountain ranges, that have placed their imprint upon the economic development of Malaya. In fact, it has been noted that that development is almost entirely "one-sided," i. e., along the coast of the Straits of Malacca. There one finds the low-lying land for rice, coconuts and rubber planting under almost ideal conditions of soil and climate for those particular crops. The bulk of the tin has been found in the river valleys leading down to the west coast.

With Singapore only 75 miles north of the equator, the climate of British Malaya is tropical, but without the excessive heat that characterizes continental tropical areas. The soils of the Malay Peninsula are not as fertile as those of volcanic origin found in Java and in parts of Sumatra, but some of them are well adapted to the cultivation of rice and tropical crops. The country is sparsely populated, the total number of inhabitants in 1938 was estimated to be about 5,300,000, or an average of about 104 per square mile. The most thickly populated part of the country is the Straits Settlement (includes Singapore), where the average number of people per square mile in 1,080.

THE wealth of British Malaya is derived from agriculture and tin mining, but principally from the former. Just as in the case of the Netherlands Indies, agriculture falls into small-scale native farming and large-scale European plantation farming. The two types differ in a number of

fundamental respects. While an average native farm doesn't exceed a few acres, a European plantation ranges from 100 to several thousand acres. The methods of cultivation are adapted to local conditions, which equally affect large and small holdings, but the former are modified by the application of modern science. The plantations lay stress upon planting of high-quality and high-yielding strains and upon careful preparation of the product for the market. The native farmers, on the other hand, continue to rely mainly upon traditional methods. The plantations concentrate on the growing of one crop, the work being done by hired labor; the native farmers cultivate a variety of crops, only a small portion of which is intended for shipment abroad, whereas the plantations produce exclusively for export.

The total crop area of British Malaya is only slightly over 5 million acres, but it is the manner in which this relatively small acreage is exploited that accounts for Malaya's importance as an agricultural producer. Of the 16 recorded crops, rubber alone represents 65 percent of all the cultivated land, while rice and coconuts are responsible for 14 and 12 percent, respectively. The remaining 8 percent of the land is taken up by thirteen other crops. It is clear, therefore, that rubber has set the tone of Malaya's economic development.

The successful transplanting of seeds of the wild para tree in Malaya formed the genesis of the great plantation rubber industry in that country and the adjacent territories. Rubber can be grown with good results in any section of Malaya below an elevation of 1,000 feet, where the soil is suitable, climate is equable, without high winds, and the rainfall averages 100 inches per year. All these conditions prevail there, the result being that the rapidity of rubber-tree growth, the soundness of the trees, and yields are equal to those of any other rubber-growing country.

EXPANSION of rubber acreage in Malaya has been checked by occasional slumps, but on the whole it has been steady and rapid, never losing supremacy as the world's largest single producer. In 1939 Malaya's rubber area was estimated at 3.4 million acres, or about 40 percent of the total world rubber acreage. The Europeans were the first to plant rubber, but before long the natives followed suit. Of the total rubber area, 2,509 plantations account for 2,031,969 acres or 811 acres per plantation; the remainder of 1,261,074 acres is distributed among 197,000 small holdings or 6.4 acres per holding. Investments in plantation rubber alone are estimated at 275 million dollars. The increase in production was rapid and uninterrupted, reaching its peak during the 5-year period 1930-34 with an average annual output of 436,000 tons. The rubber-producing capacity was much above that, as illustrated by the fact that in 1940 Malaya produced a new high of 540,000 tons. In 1930-34 Malaya's rubber output accounted for 52 percent of the world total, but as a result of the expansion of rubber production in the Netherlands Indies its share declined to about 40 percent of the total.

Just as rubber is the most important agricultural crop of British Malaya, so is tin among minerals. British Malaya is the world's single largest tin producer; the 1940 output amounted to 85,000 tons, or 36 percent of the total world output. The importance of Malaya as a tin producer is not limited by its own output; it has also the refineries to smelt most of the tin mined in the Far East, and the latter accounts for 70 percent of the world output.

Considering the importance of rubber and tin as strategic raw materials, the place of Malaya as the world's largest source of these products cannot be overestimated. What Malaya means to the United States in this respect is revealed by trade between the two countries. United States imports from Malaya averaged over 193

million dollars annually in 1937-40, or 8 percent of total imports. At first glance this may not seem very large, but its real significance becomes apparent when it is noted that 96 percent of all American imports from Malaya was represented by rubber and tin. More specifically, it meant that the United States depended upon Malaya for 57 percent of its rubber and 73 percent of its tin.

IN the course of four or five decades British Malaya has been transformed from a backward country to one of the richest agricultural regions of the world. The planters, the rubber manufacturers, the tin mine owners, the treasury of the Malaya Government, and all other interests connected with these industries were richly rewarded by the mounting production and export of those two products. It would be erroneous, however, to judge the wealth of Malaya from the standpoint of these interests; the question remains as to the welfare of the native farmers under the impact of a dominating plantation industry, fostered by the British colonial administration.

The effects of Malaya's new political and economic pressure upon the natives have not been without their advantages. Security of native property rights, liberation from the arbitrary dictates of the native chiefs, an end to local warfare, enjoyment of economic gains as the native sees fit, better sanitary and transportation facilities—with the establishment of all these the British administration had much to do. It is difficult to measure such benefits in terms of economic well-being, but they may not be discounted.

On the cardinal question of land ownership, the British were not so de-

termined to preserve it for the natives as were the Dutch in the neighboring East Indies. To be sure, an important protective measure was brought about through the establishment of the Malaya Reservations, where land can be sold only to Malays. It is more likely, however, that the Reservations were chiefly aimed against encroachment by the Chinese rather than by the British land interests.

With respect to more direct effects, it must be noted that the natives are now responsible for one-fourth of the total output of rubber. The profits derived from rubber have been so considerable that many natives have neglected other crops, even food crops. Agricultural science, extensively applied on the plantations, is little known on the small scale native farms, but some of the benefits of improved agricultural methods are brought to the attention of the farmers by the expanding Department of Agriculture, experiment stations, and their respective field services. On the whole, the benefits were indirect rather than direct; they were accidental byproducts of the plantation economy, in the development of which the role of the natives has been a passive one.

Whether the wealth of Malaya was properly distributed among the various groups exploiting the country is an academic question now. All this wealth is at present in hostile hands and the prosperity of Malaya has gone for the time being. The economic losses to the United Nations far outweigh the purely economic gains to the enemy. It is to be hoped that the loss is a temporary one and that a liberated Malaya will before long take its place in a free world economy.

W. LADEJINSKY,
*Office of Foreign Agricultural
Relations.*

Marketing and Distribution

AT no other time in the history of the country have problems of distribution loomed so large as now. War conditions are dislocating markets and causing serious transportation problems. Scattered efforts are being made to cope with these now-accentuated marketing and transportation problems but their effectiveness has too frequently been limited by lack of basic information and broad planning. Today Federal and State agencies are challenged by this situation to cooperate in working out plans that will be effective in meeting it.

Detailed studies in specific localities such as have been carried on in the past serve their purpose, but they need to be integrated within a sound general plan for the marketing and transportation of farm products for the entire country. Until such a plan has been worked out, much of the effort of agencies genuinely interested in bringing about improvements will be wasted. It is obvious that the desirability of specific measures cannot be adequately judged without knowing how they will fit into the over-all type of marketing and transportation system that must eventually be developed.

Whenever an over-all plan for a distribution system for farm products shall have been worked out, discussed,

and agreed upon by all agencies concerned, then, and only then, will it be possible to enlist the support and cooperation of all groups in finding a way to bring about the desired improvements. The planning of such a system must be based, moreover, on fundamental analyses of the causes of the shortcomings of the present system of distribution. It must include consideration of both the economic factors involved and the actual physical movement of the products. Only in that way can the whole distributive process be made to operate so as to move farm products to consumers most efficiently.

Until resources are available to attack the distribution problem in this broad way it cannot be claimed that we have an adequate program of marketing and transportation research —one commensurate with the seriousness of the problems now imminent. The Bureau of Agricultural Economics will do all it can to bring about a unified attack on the whole problem; in the meantime it will continue to work on as many as possible of the particular problems, selecting those for which the need for a solution seems to be greatest, and trying to determine what improvements are feasible and how they can be brought about.

HOWARD R. TOLLEY.

Changing Tenure Patterns and the War

CHANGES in the farm tenure pattern throughout the United States during the past decade can be summarized briefly as a trend toward larger farms operated by farmers who as tenants or owners had less security of tenure. In the operation of farms, increased dependence has been placed upon hired workers.

The moderate-size family-operated farm continued to lose out to larger super-sized family operated farms and to large-scale commercial farms. Small

farms, under 10 acres in size, increased in number by 41 percent in the country as a whole during the 10 years following 1930. This increase in small farms was particularly pronounced in industrial and mining regions where farming of small tracts was taken up to furnish supplemental employment for industrial workers during the depression. But the economic forces which brought about this increase in small farms have been altered considerably by World War II, and the trend may be

expected to be retarded substantially or even reversed during coming years. Many part-time farmers will continue to hold their farms as a place to live but they may do very little farming.

PRIOR to the outbreak of World War II, the plantation operators in the South had been shifting their workers rapidly from sharecropper status to wage laborer status. The number of croppers in the West South Central States alone declined nearly one-half from 1930 to 1940.

Part-owners in the Northern Great Plains had expanded their operations by the purchase and lease of additional land; though their numbers declined considerably. The manager-operated farms increased in the New England States, but declined in all other regions. The total number of farms in the United States decreased 3 percent during the decade, while the land in farms increased 7.5 percent. These two trends resulted in a 17-percent increase in the average size of farms. Farms operated by full owners alone increased by 6 percent during this period, while the proportion of farms operated by each of the other tenure groups declined. Manager-operated farms declined in number by 35 percent, sharecropper farms by 30 percent, part-owner farms by 6 percent, and tenant farms other than sharecropper farms, by 3½ percent.

These changes in tenure were the result of numerous economic forces arising out of the depression and the subsequent recovery, together with serious droughts in the Mid-Western States and increased technological progress in the operation of farms. Many changes were made in the Mid-Western States in the size of farms and tenure of farms due to the drought. Progress of technology has brought about permanent changes in land tenure irrespective of recurring cycles of depression and prosperity. Some of the recent changes in the tenure pattern, therefore, may be expected to

remain permanently in the absence of positive government action to alter such changes. Many of the changes, however, which occurred between 1930 and 1940 were due to conditions which no longer exist. In light of these changed circumstances continued disturbance of the land tenure situation may be expected.

WHAT the war may do to our present shifting tenure situation is largely conjecture. Some definite trends are beginning to appear though, and from these reasonably reliable predictions may be made. Most significant of the changes attributable directly to the war is the shortage of farm labor, as contrasted to serious unemployment among agricultural workers. Employment in war industries and absorption of men into the armed forces have not relieved the pressure of farm laborers and tenants for land equally throughout the country. Reports gathered in the summer and fall of 1941 reveal that little change had at that time occurred in the labor situation in the Mid-western States, while in the Eastern industrial regions the labor shortages had already led to the abandonment of some farms.

Irrespective of the demand for labor in the immediate locality of some farming sections, the drawing off of farm laborers and tenants probably will not be great, since farm people lack training and skills for industrial work. In the South, the colored sharecropper, for example, has had little experience that will adapt him to mechanical work. But in sections where highly mechanized agriculture predominates, both laborers and tenant farmers have had experience with tractor and machinery which fits them more readily into industrial employment. Health is another factor; many farm people are physically unfit for acceptance into the armed forces, and the pressure of these groups for employment in agriculture has not been relieved.

THE consolidation of farms is a significant trend in the changing tenure picture. The economic improvement in agriculture in the late '30's gave impetus to the tendency for operators to expand their holdings. Now, the higher prices due to war demands is undoubtedly giving additional incentive for expansion, to the extent that labor and farm machinery may be obtainable.

Increased technology has contributed to the recent trends toward larger farms and the displacement of small operators. Farmers are able to work large and widely separated acreages by the use of modern high speed rubber tired tractors and machinery. In some Mid-Western areas it is reported that farmers have not hesitated to operate the farms as much as 40 miles away. But if the war continues beyond the time when replacements of farm machinery and tires must be made, this type of operation will be considerably restricted. Landlords will be compelled to lease their scattered farms to individual family type operators instead of to large-scale operators.

THE economic forces arising out of the war are going to reverse some of the trends in land tenure that occurred during the last 10 years whereas others will be strengthened.

The trend toward owner-operatorship will probably be strengthened. The trend toward the use of wage laborers in place of sharecroppers in the South doubtless will be slowed considerably, but probably not reversed. Consolidation of contiguous farm units will continue, while expansion of non-contiguous large-scale operations will slow down. The decline in the percentage of tenancy occurring in 1935 for the first time in 55 years and again in 1940 will continue for a time, but there is little prospect for a continued downward trend.

The security of tenure of both owners and tenants will be strengthened during the war, but there is little likelihood that this more favorable tenure trend will continue long after the war. Farmers who are now acquiring ownership on a shoestring will be faced with a serious danger of falling back down the tenure ladder. Increased land values and mortgage debt will result in higher fixed land charges that farmers must pay and thus weaken their security of tenure. Concentrations of economic power in the agricultural marketing and processing industries, in farm credit agencies, and in land ownership will all tend to weaken the security of tenure of individual farm operators.

ELCO L. GREENSHIELDS.

Uses for Abandoned Farm Land

IN the Northeast, large areas of land that once supported farm families have gone out of agriculture. Some of this land has been absorbed by the growth of cities, some is occupied by part-time farmers or rural residents whose livelihoods depend, in varying degrees, on nonfarm income. Much of it, however, no longer supports occupancy of any kind and is being used in a variety of ways, ranging from practically no use to fairly intensive use in connection with nearby operated farms.

During the defense period it may be desirable to make further use of some of this abandoned and unoccupied farm land in order to obtain the needed farm production. Some ways in which this may be done have already been demonstrated:

In the dairy sections of the Northeast, dairy heifers and dry cows from nearby farms are often pastured on such land. This practice is usually found where intensive dairy farms in the valleys are located within a few miles of abandoned farm land in the

hills. In these cases farmers apparently have found that pasturage can be obtained most efficiently by going back into the hills. Some valley farms, of course, have contiguous hill land which is used for pasture.

In the few areas of the Northeast where sheep are important, a similar pasture use is sometimes found. In Yates County, New York, a recent study of the agriculture in two towns showed that about one-half of the farms having sheep were pasturing their sheep on detached land which at one time had supported farm units by itself. This pasture averaged 3.8 miles from the home farm although, in a few cases, the sheep trotted out more than 10 miles. Farms using detached pasture had about 100 acres of such pasture per farm. About one-half was owned by the user and the rest was rented.

THE use of abandoned detached farm land for livestock pasture in the Northeast is somewhat com-

parable to the western practice of pasturing livestock on dry-land grazing areas which may be at considerable distances from the irrigated sections where the winter feed is grown. In general, however, the amount of winter feed required per animal is much higher in the Northeast.

In a more limited way, such land is also being used, in connection with nearby farms, for crops such as hay, grain, potatoes, and vegetables. This development has been aided greatly by rubber-tired farm equipment which has made non-contiguous farming more feasible. The extent of this use may vary from year to year depending on prospective demand.

This evidence indicates that some land which has not been productive enough to support farm units by itself, still has farming possibilities in combination with other land. Such possibilities are especially significant at times like these when rather quick increases in agricultural production are needed.

MERTON S. PARSONS.

Livestock Products in 1942

AS of January 1 each year the Department of Agriculture makes an estimate of the number and value of livestock on farms. The figures are especially significant this year, by way of indicating the possibility of reaching the farm production goals for 1942. The report shows that the number of meat animals on farms is now the largest on record, aggregating more than 190 million head of cattle, hogs, and sheep.

Interest centers in the high record of nearly 75 million cattle and calves. To increase the supply of beef and veal this year over last the food goals call for the slaughter of 28 million cattle and calves, about 2 million more than the total number slaughtered in 1941. A total slaughter of this size would about equal the number of calves raised this year, after allowing for death losses, and cattle numbers at

the beginning of 1943 would not differ greatly from the approximately 75 million head this year.

The Government livestock specialists suggest that increased quantities of beef and veal be obtained principally by increased marketings in States producing cattle mainly for beef. They add that in all areas, a sound balance between forage and feed supply and care of livestock is vital to the maintained cattle production needed during the war period.

CATTLE numbers in the range States have been increased greatly in recent years. It is reported that in many areas the ranges are stocked beyond the normal limits of grazing capacity, and that a forage shortage in these areas would seriously affect the calf crop and retard the growth of animals. It is suggested that sales

of 95 to 96 percent of the saved calf crop plus inshipments in the range States would allow for the maintenance of herds and for death losses of cattle and calves.

It is believed that in the North Central States an increase in livestock production is possible as a result of conservation adjustments in recent years. The Government specialists suggest increased feeding and continued heavy marketings in the Corn Belt States, but a slight decrease in total cattle marketings from States where dairying is important. A relatively larger percentage of the numbers marketed from these States will be represented by calves.

Production goals for 1942 call for an increase of 8 percent in the output of milk. The Government estimates show that on January 1 this year there were 26.3 million cows and heifers 2 years old and over kept for milk on farms, or 3 percent more than on that date last year. This is a near-record, but it is obvious that heavier feeding will be required if the 1942 production goal is to be reached. The figures show also that on January 1 the farmers also had high record numbers of yearling heifers and heifer calves being kept for milk cows—5.8 million and 6.5 million, respectively.

THE big increase in the 1941 fall pig crop is reflected in the total of 60.5 million hogs and pigs on farms this January 1. This figure is 12 percent larger than the number on farms at the beginning of 1941 but slightly smaller than at the outset of 1940. Of the 1942 total, more than 11 million were in Iowa, nearly 6 million in Illinois, more than 4 million each in Indiana and Minnesota, and nearly 4 million in Missouri. It is estimated that marketings and farm slaughter of hogs this year will total nearly 20 billion pounds live weight, or about 17 percent more than in 1941.

Sheep and lambs totaled nearly 56 million head on January 1, or about 3 percent more than on that date last year. The total consisted of 46.2

million head of stock sheep and 6.8 million sheep and lambs on feed. The January 1 total was the largest on record. It is expected that about 23 million sheep and lambs will be marketed this year, or about 2 percent more than the number slaughtered in 1941. Production of sheep and lambs will probably increase by an equivalent amount.

THE inventory shows there were nearly 474 million chickens (not including broilers) on farms as of January 1, or about 12 percent more than on that date last year. The total is a near record. Farm flocks were made up of 58 percent pullets, 32 percent hens, and 10 percent other chickens. This compares with 57 percent pullets, 33 percent hens, and 10 percent other chickens a year earlier. Turkeys totaled 7.7 million as of January 1, or 6 percent larger than a year earlier, and 22 percent above the average for the preceding 10 years.

Total supplies of chicken meat in the United States this year are expected to exceed the record supplies of 1941, and a further increase in the number of chickens raised on farms is in prospect. Government poultry specialists forecast a material increase in commercial broiler production, even though broilers are not included in the general price-supporting measures announced by the Department of Agriculture.

The number of both horses and mules continues to decline. The inventory shows less than 9.9 million horses (including colts) on farms January 1, or about 4 percent fewer than on that date last year. Mules totaled 3.8 million on January 1, or 3 percent fewer than a year earlier. Figures on numbers of horse colts and mule colts indicated a continued decline during the next few years.

THE farm value of all livestock included in the inventory was slightly more than 7 billion dollars, as compared with 5.3 billion in 1941,

Year	Horses and mules	All cattle	Milk cows	All sheep	Hogs	Chickens	Grain- consuming animal units ²
	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>Thou- sands</i>
1930	19,124	61,003	23,032	51,565	55,705	468,491	135,807
1931	18,408	63,030	23,820	53,233	54,835	449,743	134,045
1932	17,812	65,801	24,896	53,902	59,301	436,815	139,468
1933	17,337	70,280	25,936	53,054	62,127	444,523	144,492
1934	16,997	74,369	26,931	53,503	58,621	433,937	143,169
1935	16,683	68,846	26,082	51,808	39,066	389,958	120,518
1936	16,226	67,847	25,106	51,087	42,975	403,446	123,032
1937	15,802	66,098	24,649	51,019	43,083	423,921	122,402
1938	15,245	65,249	24,466	51,210	44,525	389,624	120,963
1939	14,792	66,029	24,600	51,595	50,012	418,591	127,003
1940	14,481	68,197	24,926	52,399	61,115	438,288	138,492
1941	14,136	71,461	25,478	54,283	54,256	422,909	133,449
1942	13,667	74,607	26,303	55,979	60,526	473,933	142,742

¹ Revised 1930-41; 1942 preliminary.² Weights used: Horses and mules 1.14, milk cows 1.00, other cattle 0.51, hogs 0.87, sheep 0.04, chickens 0.045.

with 5.1 billion in 1940, and with 4.4 billion average for the 10 years 1931-40. Of the 1942 total the value of cattle was 4.1 billion dollars, hogs 947

million dollars, horses 639 million, sheep 482 million, mules 410 million, chickens 394 million, and turkeys 24 million dollars.—F. G.

On the Farm Labor Front

TWO recently concluded agreements between the United States Employment Service, the Farm Security Administration, and the Agricultural Marketing Service, are expected to result in increasingly effective mobilization of labor for farm jobs.

Under the terms of the agreement with the Farm Security Administration, the United States Employment Service—which had already expanded its farm placement facilities to cover the entire Nation—will establish branch offices in each of the migratory labor camps. These offices will make their facilities “available at all times to workers housed in the migratory labor camps and to other agricultural workers in the community.”

The cooperative attack of the Farm Security Administration and the Employment Service on farm labor supply problems is designed to reduce the delay in filling jobs and to make possible a fuller utilization of available labor. On the West Coast and in other areas where Farm Security

camps have been in existence, close cooperation between local offices of the two agencies has increased the effective use of farm workers as much as 50 percent. This year, when mobile migratory camps are set in operation along the Atlantic Coast, farmers who depend on a regular, seasonal flow of workers from Florida on up to New England, should benefit from the intensive recruiting made possible by the agreement.

The cooperative agreement between the Agricultural Marketing Service and the Employment Service is intended to supply the Employment Service with agricultural information by counties and crop areas so that the Employment Service can plan and act concretely in its task of matching the demand for farm labor with the necessary workers. Specific information will be provided by the Agricultural Marketing Service on agricultural production (acreage; livestock, poultry numbers, and products; changing conditions and production prospects;

crop maturity dates; period and peak of seasonal activities), the on-farm labor supply, days worked per week by the farm operator, length of farm work day (separately from operator and hired workers), average farm wage rates (by month, day, hour, piece), and the perquisites furnished hired hands.

NEITHER of these agreements, obviously, constitutes the complete answer to the problem of supplying labor for agriculture this year. There is not enough farm help in many sections of the country. The armed forces and war industry have drawn off many workers. Workers who have left nondefense employment for war jobs have been replaced, in many cases, by rural youth attracted by higher wage scales. Undirected migration of workers—aimless traveling in search of work—has created labor surpluses in some areas and shortages elsewhere. What is needed in agriculture today is a fuller utilization than ever before of the total labor supply. To achieve this means calling on people who have never been in the labor market before. And it means setting up a mechanism for keeping aimless migration to a minimum; in short, a national approach to what is now a national problem is necessary.

To help meet this problem, the United States Employment Service recently reorganized and strengthened its farm placement service, so that at the present time, each one of the 1,500 full-time local employment offices has a person on its staff responsible for farm labor placement. In addition, there are 3,000 part-time offices, and additional facilities will be set up in the future. If, in his community, the labor situation is such that high school students are needed to bring in the crops, the local farm placement man will enlist the aid of the schools. Connecticut, New York, Oregon, and numerous other States have already found it necessary to call on students. In addition, employment offices in some parts of the country are now con-

ducting house-to-house canvasses to make sure that no part of the total local labor resources is overlooked.

If migratory labor is needed, the local man can call on other employment offices in the State or in other sections of the country for help in finding workers. And, in certain Western States, the offices have enlisted the aid of plant quarantine stations and the State police in directing workers to the places where they were needed. To make sure that local offices render an effective service and that their activities are properly coordinated within a State, farm placement supervisors have been appointed for each State division of the Employment Service. And since the agricultural labor problem transcends State boundaries, regional farm placement representatives are charged with the responsibility for seeing that the employment offices in the States which make up their region work smoothly in recruiting and directing labor where it is needed.

AT all levels—local, State, regional, and national—the problem of farm labor supply is being attacked in close cooperation with the Department of Agriculture. Employment Service men—in the counties and in the States—have worked on the labor subcommittees of the Bureau of Agricultural Economics. On a regional basis, Agriculture Department representatives have membership in the regional labor supply committees which concern themselves with all aspects of labor supply—industrial and agricultural—under the chairmanship of United States Employment Service representatives. Finally, in mapping out our program and in planning for necessary extension of employment office facilities, we have worked closely with the Office of Agricultural Defense Relations and with other agencies of the Department of Agriculture in Washington.

For the farmer and farm worker alike, this cooperation between the Department of Agriculture and the United States Employment Service

should prove of value in the months ahead when production goals must be met since it makes possible a placement program geared to meet the needs of both employer and worker. To help the farm employer who makes known his requirements at the nearest United States Employment office, that office will canvass the community and, if necessary, other communities in the State or Nation to find the needed workers. And if the farm employer will notify the local employment office a short time before he expects to lay off his help, plans can be made to refer the workers to other agricultural jobs. The result will be greater efficiency in the mobilization of manpower.

FAY W. HUNTER,
U. S. Employment Service.

WASTE

BAE says that wastes in the marketing and home consumption of perishable farm products reach an enormous total each year; that the wastes in the marketing of fresh fruits and vegetables alone would amount to several hundred million dollars a year if valued at retail prices. "These wastes restrict the diets of consumers and increase the spread of marketing costs between farmers and consumers."

Two ways of reducing these losses are suggested: (1) Reduce waste in marketing and in the homes; (2) utilize the waste materials to best advantage. The Bureau is now working on suggestions for improved merchandising practices to reduce the waste in marketing. As to better utilization, it says that the cooperation of public-health officials, animal husbandmen, sanitary engineers, and economists is needed.

BAE made a survey of urban garbage production, collection, and utilization in 1939-40, found a total of 8 million tons of garbage produced in 412 cities having populations of 25,000 or more. Divided by the 53 million people in these cities, the figure works out to approximately 302 pounds of garbage per capita, or more than 1,200 pounds for the average family. Not all of this waste is in the home, however; much of it is by hotels, restaurants, and other establishments.

The survey showed that about 81 percent of the garbage is collected by the cities, the remainder by hog feeders and others. A little more than three-fourths of the garbage collected by cities is incinerated or buried, the remainder used by hog feeders, "reduced," or otherwise reclaimed. Combining direct collections and those from city disposal agencies, it was found that about 27 percent of the 8 million tons of garbage produced in 1939-40 was used by hog feeders.

* * *

Some figures on garbage production are cited for the 10 largest cities: New York, 328 pounds per capita in 1939; Chicago, 212 pounds; Philadelphia, 203 pounds; Detroit, 246 pounds; Los Angeles, 285 pounds; Cleveland, 281 pounds; Baltimore, 197 pounds; St. Louis, 196 pounds; Boston, 291 pounds; Pittsburgh, 313 pounds.

Total garbage produced in these 10 cities was 2.7 million tons in 1939, of which 2.4 million tons was collected by the cities, and the remainder by hog feeders and others. About 2 million tons collected by the cities was incinerated or buried, and the remainder used by hog feeders, "reduced," or otherwise disposed of.—F. G.

Economic Trends Affecting Agriculture

Year and month	Indus- trial pro- duction (1935-39 =100) ¹	Income of indus- trial workers (1935-39 =100) ²	Cost of living (1935-39 =100) ³	1910-14=100			Farm wages	Taxes ⁶		
				Prices paid by farmers for commodities used in ⁵						
				Whole- sale prices of all com- modi- ties ⁴	Living	Produc- tion				
1925	90	126	125	151	164	147	157	176	270	
1926	96	131	126	146	162	146	155	179	271	
1927	95	128	124	139	159	145	153	179	277	
1928	99	127	123	141	160	148	155	179	279	
1929	110	134	122	139	158	147	153	180	281	
1930	91	110	119	126	148	140	145	167	277	
1931	75	85	109	107	126	122	124	130	254	
1932	58	59	98	95	108	107	107	96	220	
1933	69	61	92	96	109	108	109	85	188	
1934	75	76	96	109	122	125	123	95	178	
1935	87	87	98	117	124	126	125	103	180	
1936	103	100	99	118	122	126	124	111	181	
1937	113	117	103	126	128	135	130	126	186	
1938	89	91	101	115	122	124	122	125	183	
1939	108	105	99	113	120	122	121	123	186	
1940	123	119	100	115	121	124	123	126	183	
1941	156	163	105	127	133	133	133	147	-----	
1941—February	144	139	101	118	-----	-----	123	-----	-----	
March	147	141	101	119	124	125	124	-----	-----	
April	144	142	102	121	-----	-----	124	138	-----	
May	154	157	103	124	-----	-----	125	-----	-----	
June	159	167	105	127	129	128	128	-----	-----	
July	160	173	105	130	-----	-----	130	160	-----	
August	160	174	106	132	-----	-----	133	-----	-----	
September	161	177	108	134	136	135	136	-----	-----	
October	163	178	109	135	-----	-----	139	165	-----	
November	166	180	110	135	-----	-----	141	-----	-----	
December	167	187	110	137	143	141	142	-----	-----	
1942—January	171	193	112	140	-----	-----	146	166	-----	
February ⁷	173	-----	141	141	-----	-----	147	-----	-----	

Year and month	Index of prices received by farmers (August 1909-July 1914=100)							Ratio prices received to prices paid	
	Grains	Cotton and cotton- seed	Fruits	Truck crops	Meat ani- mals	Dairy prod- ucts	Chick- ens and eggs		
		All groups							
1925	157	177	172	153	140	153	163	156	99
1926	131	122	138	143	147	152	159	145	94
1927	128	128	144	121	140	155	144	139	91
1928	130	152	176	159	151	158	153	149	96
1929	120	144	141	149	156	157	162	146	95
1930	100	102	162	140	133	137	129	126	87
1931	63	63	98	117	92	108	100	87	70
1932	44	47	82	102	63	83	82	65	61
1933	62	64	74	105	60	82	75	70	64
1934	93	99	100	103	68	95	89	90	73
1935	103	101	91	125	118	108	117	108	86
1936	108	100	100	111	121	119	115	114	92
1937	126	95	122	123	132	124	111	121	93
1938	74	70	73	101	114	109	108	95	78
1939	72	73	77	105	110	104	94	93	77
1940	85	81	79	114	108	113	96	98	80
1941	96	113	92	145	146	131	122	122	92
1941—February	81	80	80	156	130	118	90	103	84
March	84	82	83	134	129	118	90	103	83
April	90	88	89	161	137	121	104	110	89
May	93	98	89	146	138	124	107	112	90
June	96	107	97	146	144	126	118	118	92
July	98	121	93	130	154	132	127	125	97
August	99	128	100	133	158	135	130	131	98
September	106	150	89	145	166	140	141	139	102
October	101	144	107	164	157	145	146	139	100
November	103	136	98	147	151	148	157	135	96
December	112	138	98	162	160	148	153	143	101
1942—January	119	143	102	204	166	148	147	149	102
February	121	150	98	161	175	147	135	145	99

¹ Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.

² Adjusted for seasonal variation. Revised November 1941.

³ Bureau of Labor Statistics.

⁴ Bureau of Labor Statistics index with 1926 = 100, divided by its 1910-14 average of 68.5.

⁵ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are interpolations between the successive quarterly indexes.

⁶ Index of farm real estate taxes per acre. Base period represents taxes levied in the calendar years 1909-13, payable mostly within the period Aug. 1, 1909-July 31, 1914.

⁷ Preliminary.

NOTE.—The index numbers of industrial production and of industrial workers' income shown above are not comparable in several respects. The production index includes only mining and manufacturing, the income index also includes transportation. The production index is based on volume only, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income, since output can be increased or decreased to some extent without much change in the number of workers.